

MEXICAN HERITAGE PLAZA

Steering Committee Meeting #7

9 March 2010

5:30 to 8:30 p.m.

I. News

Connie Martinez informed the committee of the family tragedy recently suffered by Steering Committee member Olivia Mendiola. It was agreed that some remembrance honoring Olivia's daughter should come from the Steering Committee.

II. Presentation

The two study group leaders, Connie Martinez and Chris Esparza, decided there was sufficient agreement between the two groups that they would make a joint presentation about their findings, and suggested next steps.

The key to understanding the recommendations in the presentation, is the observation that the idea of a School of Arts and Culture at Mexican Heritage Plaza (the working name) requires considerably further work in order to complete the pro forma operating budgets that would fulfill the request of the City Council for a business plan. Therefore, the work to this point should be considered Phase One, and represents a considerable achievement in consensus about a new working model for the venue.

The Phase Two proposed in the presentation includes the development of the "framework" for the working model, and is estimated to take a minimum of an additional six months.

The attached Power Point presentation conveys the "framework" presentation in its entirety.

Questions from the Steering Committee included:

- Clarification was requested about the 80% - 20% Rentals/Classes phasing into 20% - 80% Classes/Rental and whether there would still be room for professional performances. It was made clear that professional performances would be part of the mix of activities at the School. CSMA was brought up as an example because they offer mainly classes but also have visiting performers and professional performances to supplement the curriculum.

- The question came up about what the landlord status for the City would look like.
- The issue about the use of the Gallery space was raised again and it was suggested that it was a programming issue that would need to be resolved by looking at the maximum utilization of the space. Ultimately the issue was tabled because it was too specific for the conversation regarding the overall recommendation for the Committee to proceed with the proposed plan of action.
- Suggestions of additions to the list of "experts" included business leaders such as Michael Farrell from Applied Materials. Committee members recommended that the group not get too big, preferring a "lean and mean" group with relevant expertise in the management of cultural facilities and arts and cultural educational programming. The Committee agreed that a smaller group would be more effective than a group representing too broad a range of interests.
- It was clarified that \$400-500K would be an ongoing city contribution to the O&M of the facility not linked to CPI. The other 5 cultural facilities in San Jose have similar long-term agreements with the City for a steady state of O&M that reduces the cost of occupancy for the organizations. The managing organization would have to come up with the delta to cover programming and additional costs of the facility operations.
- Concerns were raised that people from the community, not just a community leader like Jaime Alvarado, be represented in the next phase of the business plan. The Committee agreed that experts only get you so far and that community input is critical for designing the programming model. It was agreed that a community member should be "embedded" in each of the planning groups of "experts."

Overall, the Committee was very supportive of the framework and felt that the values and the concept were explicit in the recommendation, and supported the idea of using the Committee's work as a springboard toward the financial model which would be analyzed in more depth in the next phase. A motion to accept the recommendations made in the presentation was made and all were in favor.

III. Next Steps

The Committee reviewed the proposed next steps and agreed:

- 1) A community-wide Town Hall meeting should be scheduled in lieu of the next Steering Committee meeting, to be held in the theater on Monday April 12th. All agreed that every effort should be made to publicize the meeting in the community.

- 2) Connie and Chris were selected by the group to be spokespersons for the Town Hall.
- 3) The three leadership teams proposed in the presentation were agreed to, with the addition of the "embedded" community member in each. The teams are:

- Financial modeling/Business plan team (Danny will be the embedded community representative on this team)
- Fundraising Team
- Program prototyping team

Committee members with interest in continuing to participate in Phase 2 would be encouraged to be members of any of the teams.

- 4) The Committee agreed that a consultant or designated coordinator would be necessary to coordinate efforts.
- 5) It was also agreed that an Executive Committee be formed made up of 2 individuals from each of the leadership teams for purposes of ensuring cohesion between the work of the 3 groups.
- 6) The April 12th Town Hall will require a massive outreach effort to ensure a significant turn out of the community, this should include a press release, email blasts to distribution lists and publication on social networking sites. The following outreach channels were suggested:

- Mercury News - Al
- Former volunteers - Linda
- D5 office - Elisa
- Mexican Consulate - Elisa
- NACs - Danny
- East San Jose Facebook page - Maria
- Office of Education - Chris
- South Bay Funders - Moy
- City of San Jose: OED & OCA - Kim Walesh

The need was pointed out to be very clear what we are asking for from the town hall attendees. Language sent to all channels needs to be consistent so it is clear that we are asking the public for input on the product of the Committee. In order to manage community members suggestions we'd like to have a survey for meeting attendees to make suggestion on the types of classes they would like to see at the Plaza.

IV. Presentation about Cooperative Models.

Carlos Perez' invited guest, David Smathers Moore, made a presentation on Cooperative Models. He utilized two case studies for his presentation:

- 1). Market Creek Plaza in San Diego
- 2) Green Bay Packers Football team

He brought up the idea of community buy in and how the cooperative model is a way to support that concept of community members being shareholders in an organization or project and to be part of the election of Board members. The concept of cooperatives also supports accountability and transparency.

Laurie suggested that while shareholders might not be an appropriate concept for the new model at MHP, a membership structure could be viable. A Plaza founder backed up this idea saying that in the past they had tried the membership model but because they did not have anything to offer in the way of ownership of the community of programming, it wasn't successful. He could see how membership in the School concept could work.

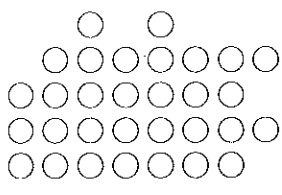
V. Public Comment

Public comments agreed with the framework proposed, and largely conveyed appreciation for the work of the Committee. Several of the original founders were present and thanked the Committee for their hard work.

In addition, suggestions for refining the concept included:

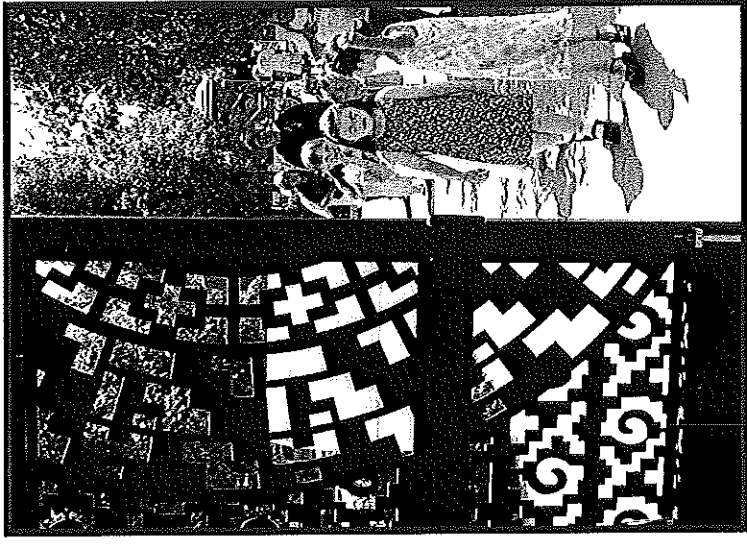
- Include media and digital arts classes to match the interests of young people today.
- Include business expertise in the planning process.
- Consider a different structure in which the non-profit solely exist for purposes of fundraising.

School of Arts & Culture at the Mexican Heritage Plaza (working title)



↑ Areas of Agreement Among
Study Groups

↑ Next Steps

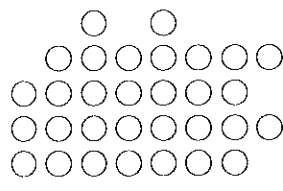


March 9, 2010 MHP Steering Committee Meeting
Presentation by Study Group Representatives

Connie Martinez & Chris Esparza



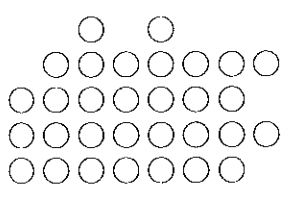
Proposed principles for moving forward



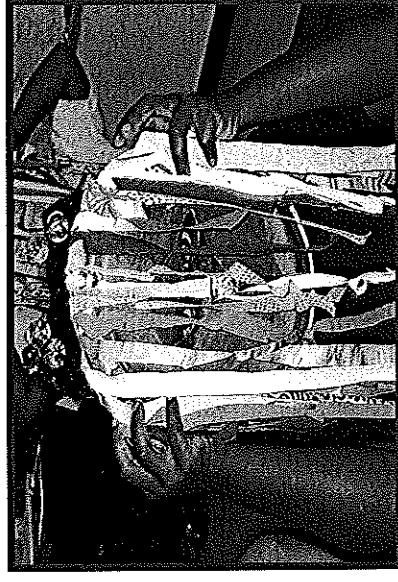
- Bring the community along every step of the way
- Bring the community along every step of the way
- Start modestly and be realistic
- Learn from past mistakes and don't repeat them
- Recognize that we can't be all things to all people
- Be focused and do what we can do best
- Use partnerships, existing program/wisdom to build strong relationships
- Continue to advocate for community development in the surrounding neighborhood

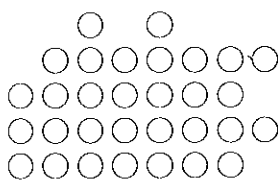


Agreements: Mission/Purpose

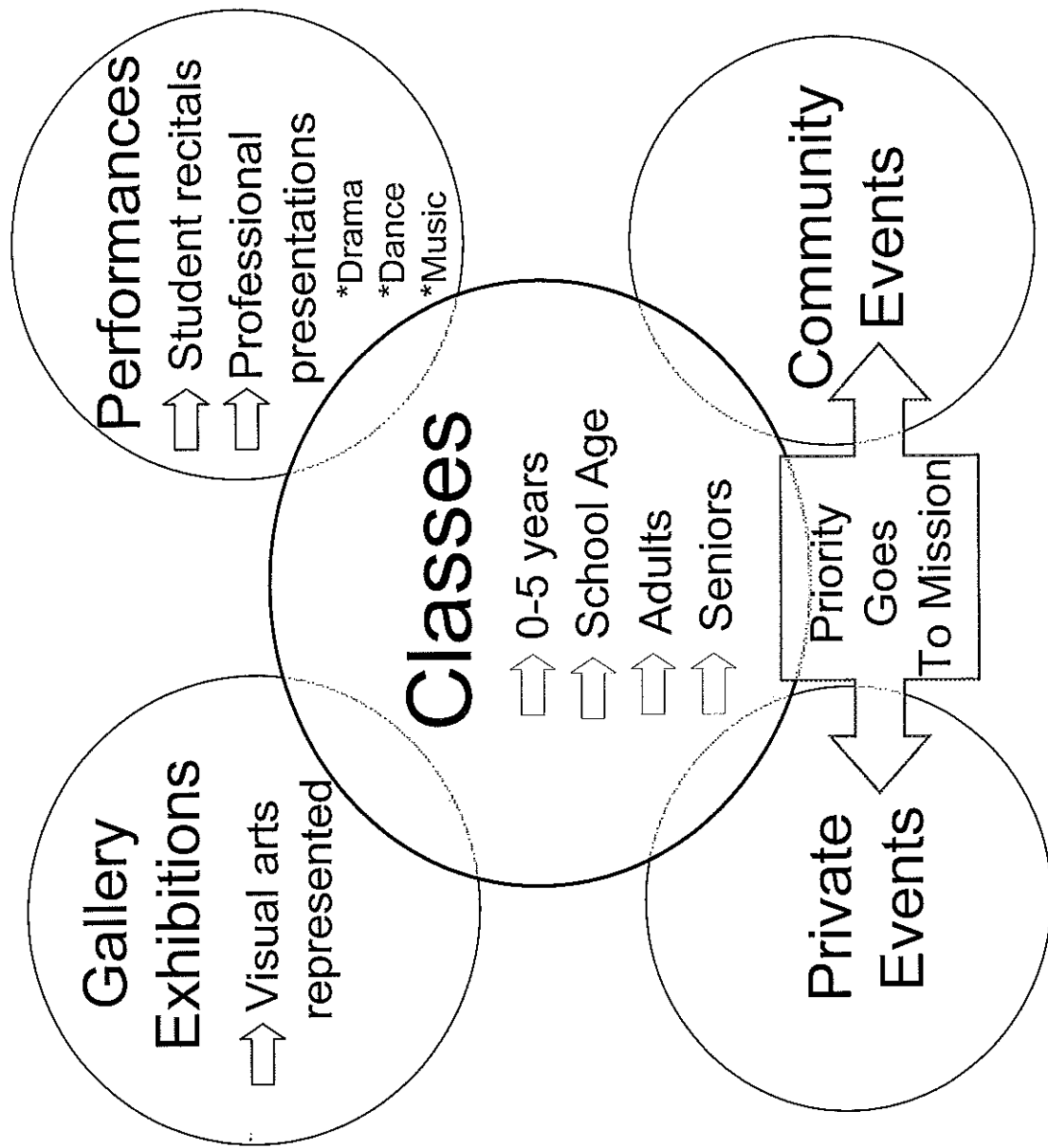


- A center for arts and culture with classes and cultural experiences for children and families at the core
- Constituencies to be served
 - San Jose East side families primary clientele
 - Open to all San Jose residents and beyond, regardless of ethnicity
 - Mexican-American cultural programming is a priority

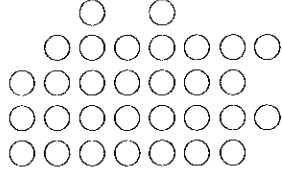




Visual Concept



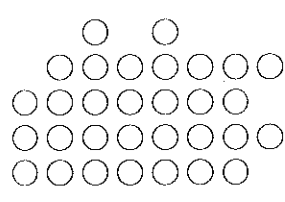
Agreements: Funding



- The school model offers the best opportunity for expanded earned and contributed income to be more “self-sustaining.”

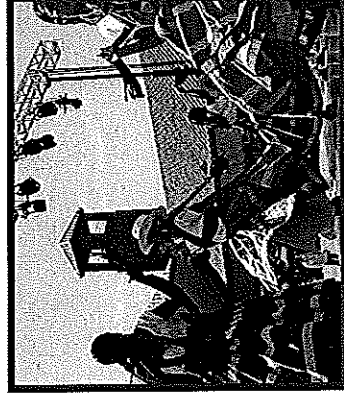
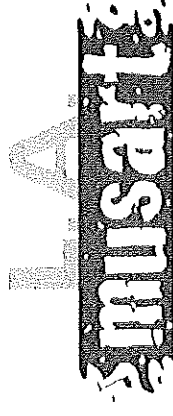


- City support is essential to success
- Committee recommends City contribution be in the \$400-500K range

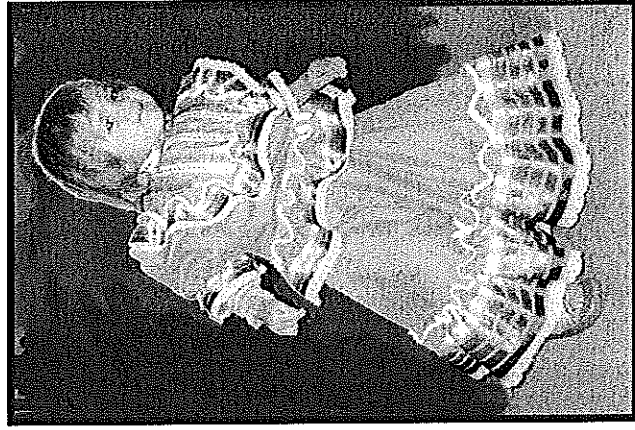
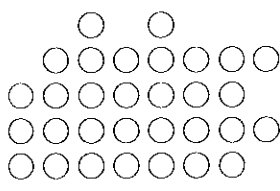


Agreements: Arts Education and Cultural Partners

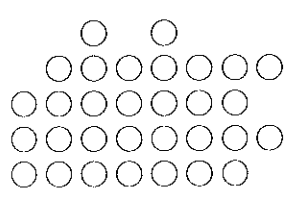
- Leverage Cultural Partners to deliver services
 - RAPs become future partners and resources for arts and culture programming
- Classes should be accessible and of the highest quality
 - LA School of Music & Art Model



Agreements: Facility Usage



- Maximize conversion of office space for classrooms/practice rooms
 - “Barn raising” concept
- RAPs should be provided with suitable alternative office space at affordable rates

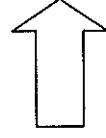


Agreements: Leadership Focus

↑ Present

- Community outreach
- Facility management
- Private & Community

Rentals = Stable
income



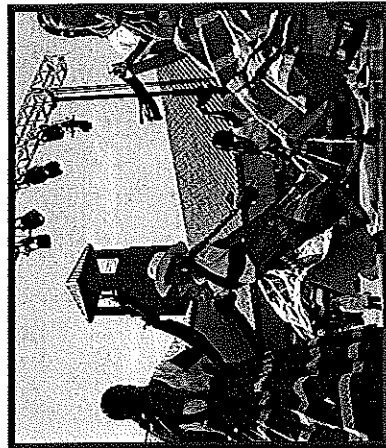
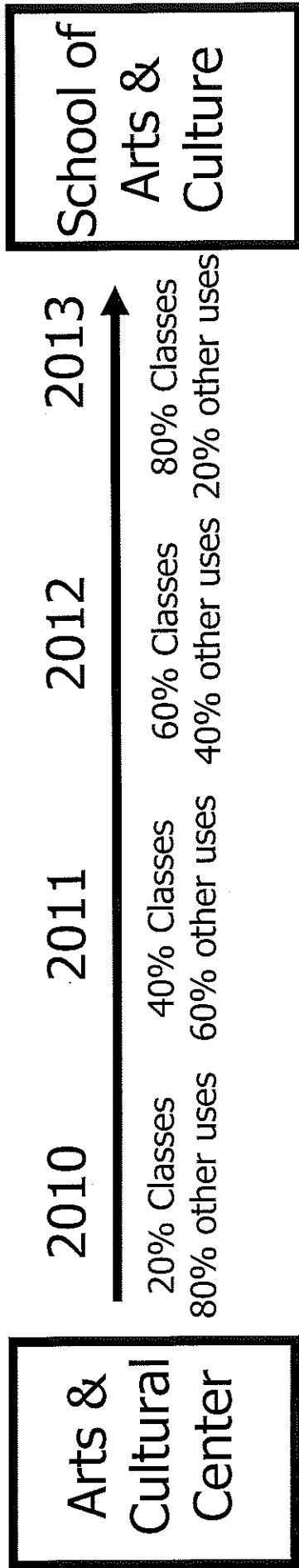
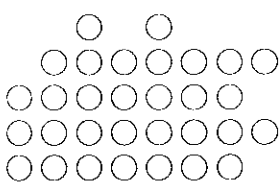
Future

- School of Music & Arts



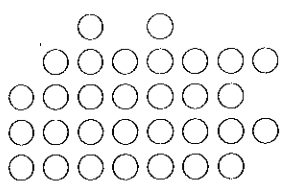
1. Fundraising
2. Programming

Conceptual Timeline



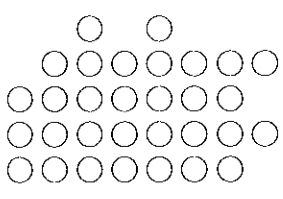
- Start modestly and be realistic
- “Accordion” concept
- Need for thoughtful evolution toward desired end

Key Milestones/Timeline

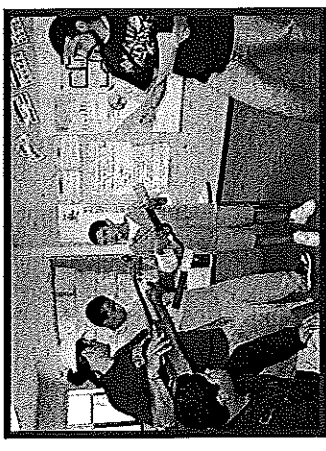


- Gain consensus on strategic direction and key assumptions today – March 9
- Fine tune presentation, outreach/invite greater community to final presentation and celebration – April 13th
- Bring Phase I Business Plan to City Council – April 27th
 - Test financial/partnership assumptions
- Launch Phase II Business Plan Completion – April 28th
- Execute and learn as we grow into vision – 2 to 3 yrs

Reality Check



- We need to test our financial assumptions with City Council before going any further
 - City's willingness to manage property for 2-3 years and "base" O & M thereafter
 - City's desire to see the new model succeed and improve the infrastructure around the Plaza
- Our final product is best informed by "community school and cultural facility" experts, basic market research and funders
- Our programmatic ideas will be stronger if we begin prototyping them now
- We need to nurture leadership along the way
 - Who would take "our" business plan on?

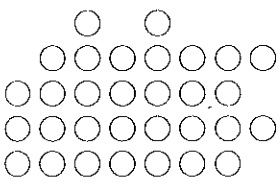




Phase II Business Planning

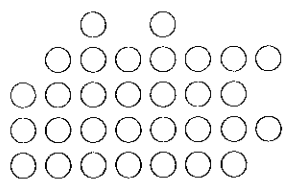
- Assemble a team of arts, culture and community leaders to inform next phase of business plan and leadership development
 - Conceptual Financial Model: Net earned income plus City O & M covers “core operations” or fixed expenses. Contributed covers balance of “variable programming” expenses and scholarships.
- Raise seed funding to:
 - Support Leadership Team
 - Conduct market research/best practices
 - Prototype “programming” modules that inform financial assumptions
 - Secure interest /viability of “leadership” partner
- Reach agreement with Hispanic Foundation to continue as fiscal agent
- Program current space with “mission compatible” content
 - Enter into MOU with City for “prototyping” priority access to space
- Keep community informed/engaged

2 -3 Year Transition



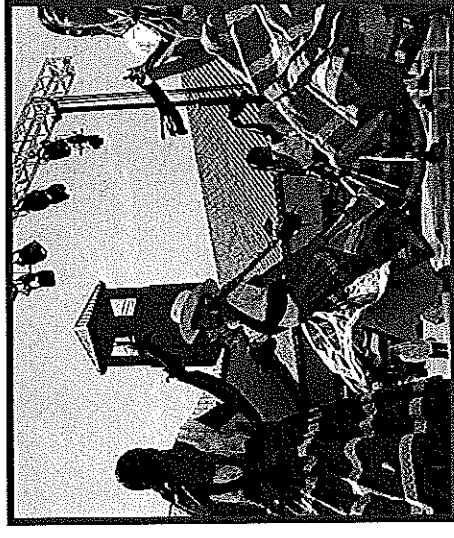
- Leadership team of experts transition from business planners to advisors
- Fundraising team keeps working
 - Fiscal agent: HFSV
 - Targets \$1M in seed money
- New Leadership Emerges
- City transitions from “owner/operator” to landlord

Proposed Leadership Teams



Financial Modeling Leadership Team

- Jaime Alvarado, Somos Mayfair
- Isela Sotelo, Los Angeles Music and Arts School
- Jeffry Walker, CSMA
- Carlos Tortulero, National Museum of Mexican Art
- Maria de Leon, NALAC
- Kevin R. Hauge, CMT
- Jess Moreles, Teatro Vision
- Maria de la Rosa, MHP Steering Committee liaison
- County Office of Education



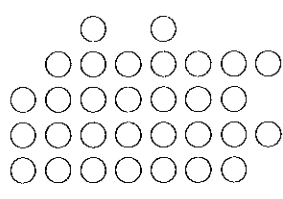
Fundraising, Leadership & Board Development Team

To include members of the Steering Committee with fundraising expertise (eg Connie, Moy, Castellano Family Foundation)

Program Prototyping Leadership Team

- To include members of the Steering Committee with programming expertise (eg Maria, Chris, Roy)

Consultant team/contract staff to support these groups



Critical Success Factors

- Community “buy in”
- Engagement of local Latino leadership
- City partnership
- Seed funding
- Willing/able cultural partners
- Time to “ramp up”
- Long term strategy for Latino “operating” leadership

